



General Assembly

February Session, 2002

Bill No. 5020

LCO No. 493

Referred to Committee on Appropriations

Introduced by:

REP. WARD, 86th Dist.

SEN. DELUCA, 32nd Dist.

**AN ACT IMPLEMENTING THE GOVERNOR'S BUDGET REGARDING
EDUCATION.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 10-76g of the general statutes, as amended by
2 section 64 of public act 01-173 and section 5 of public act 01-1 of the
3 June special session, is repealed and the following is substituted in lieu
4 thereof (*Effective July 1, 2002*):

5 (a) (1) For the fiscal year ending June 30, 1984, and each fiscal year
6 thereafter, in any case in which special education is being provided at
7 a private residential institution, including the residential components
8 of regional educational service centers, to a child for whom no local or
9 regional board of education can be found responsible under subsection
10 (b) of section 10-76d, as amended, the Department of Children and
11 Families shall pay the costs of special education to such institution
12 pursuant to its authority under sections 17a-1 to 17a-26, inclusive, as
13 amended, 17a-28 to 17a-50, inclusive, as amended, and 17a-52. (2) For
14 the fiscal year ending June 30, 1993, and each fiscal year thereafter, any

15 local or regional board of education which provides special education
16 and related services for any child (A) who is placed by a state agency
17 in a private residential facility or who is placed in a facility or
18 institution operated by the Department of Children and Families and
19 who receives such special education at a program operated by a
20 regional education service center or program operated by a local or
21 regional board of education, and (B) for whom no local or regional
22 board of education can be found responsible under subsection (b) of
23 section 10-76d, as amended, shall be eligible to receive one hundred
24 per cent of the reasonable costs of special education for such child as
25 defined in the regulations of the State Board of Education. Any such
26 board eligible for payment shall file with the state Department of
27 Education, in such manner as prescribed by the Commissioner of
28 Education, annually, on or before December first a statement of the
29 cost of providing special education for such child, provided a board of
30 education may submit, not later than February first, claims for
31 additional children or costs not included in the December filing.
32 Payment by the state for such costs shall be made to the local or
33 regional board of education as follows: Seventy-five per cent of the
34 cost in February and the balance in April.

35 (b) Any local or regional board of education which provides special
36 education pursuant to the provisions of sections 10-76a to 10-76g,
37 inclusive, as amended by this act, for any exceptional child described
38 in subparagraph (A) of subdivision (5) of section 10-76a, under its
39 jurisdiction, excluding (1) children placed by a state agency for whom
40 a board of education receives payment pursuant to the provisions of
41 subdivision (2) of subsection (e) of section 10-76d, as amended, and (2)
42 children who require special education, who reside on state-owned or
43 leased property or in permanent family residences, as defined in
44 section 17a-154, and who are not the educational responsibility of the
45 unified school districts established pursuant to sections 17a-37, 17a-
46 240, as amended, and 18-99a, shall be financially responsible for the
47 reasonable costs of special education instruction, as defined in the
48 regulations of the State Board of Education, in an amount equal to (A)

49 for any fiscal year commencing prior to July 1, [2002] 2003, five times
50 the average per pupil educational costs of such board of education for
51 the prior fiscal year, determined in accordance with the provisions of
52 subsection (a) of section 10-76f, and (B) for the fiscal year commencing
53 July 1, [2002] 2003, and each fiscal year thereafter, four and one-half
54 times such average per pupil educational costs of such board of
55 education. The State Board of Education shall pay on a current basis
56 any costs in excess of the local or regional board's basic contribution
57 paid by such board in accordance with the provisions of this
58 subsection. Any amounts paid by the State Board of Education on a
59 current basis pursuant to this subsection shall not be reimbursable in
60 the subsequent year. Application for such grant shall be made by filing
61 with the Department of Education, in such manner as prescribed by
62 the commissioner, annually on or before December first a statement of
63 the cost of providing special education pursuant to this subsection,
64 provided a board of education may submit, not later than March first,
65 claims for additional children or costs not included in the December
66 filing. Payment by the state for such excess costs shall be made to the
67 local or regional board of education as follows: Seventy-five per cent of
68 the cost in February and the balance in May. The amount due each
69 town pursuant to the provisions of this subsection shall be paid to the
70 treasurer of each town entitled to such aid, provided the treasurer shall
71 treat such grant, or a portion of the grant, which relates to special
72 education expenditures incurred in excess of such town's board of
73 education budgeted estimate of such expenditures, as a reduction in
74 expenditures by crediting such expenditure account, rather than town
75 revenue. Such expenditure account shall be so credited no later than
76 thirty days after receipt by the treasurer of necessary documentation
77 from the board of education indicating the amount of such special
78 education expenditures incurred in excess of such town's board of
79 education budgeted estimate of such expenditures.

80 [(c) Commencing with the fiscal year ending June 30, 1996, and for
81 each fiscal year thereafter, within available appropriations, each town
82 whose ratio of (1) net costs of special education, as defined in

83 subsection (h) of section 10-76f, for the fiscal year prior to the year in
 84 which the grant is to be paid to (2) the product of its total need
 85 students, as defined in section 10-262f, and the average regular
 86 program expenditures, as defined in section 10-262f, per need student
 87 for all towns for such year exceeds the state-wide average for all such
 88 ratios shall be eligible to receive a supplemental special education
 89 grant. Such grant shall be equal to the product of a town's eligible
 90 excess costs and the town's base aid ratio, as defined in section 10-262f,
 91 provided each town's grant shall be adjusted proportionately if
 92 necessary to stay within the appropriation. Payment pursuant to this
 93 subsection shall be made in June. For purposes of this subsection, a
 94 town's eligible excess costs are the difference between its net costs of
 95 special education and the amount the town would have expended if it
 96 spent at the state-wide average rate.]

97 Sec. 2. Subdivision (6) of subsection (a) of section 10-262h of the
 98 general statutes, as amended by section 4 of public act 01-1 of the June
 99 special session, is repealed and the following is substituted in lieu
 100 thereof (*Effective July 1, 2002*):

101 (6) For the fiscal year ending June 30, 1996, and each fiscal year
 102 thereafter, a grant in an amount equal to the amount of its target aid as
 103 described in subdivision (32) of section 10-262f, as amended, except
 104 that such amount shall be capped in accordance with the following:
 105 (A) For the fiscal years ending June 30, 1996, June 30, 1997, June 30,
 106 1998, and June 30, 1999, for each town, the maximum percentage
 107 increase over its previous year's base revenue shall be the product of
 108 five per cent and the ratio of the wealth of the town ranked one
 109 hundred fifty-third when all towns are ranked in descending order to
 110 each town's wealth, provided no town shall receive an increase greater
 111 than five per cent. (B) For the fiscal years ending June 30, 2000, June 30,
 112 2001, June 30, 2002, and June 30, 2003, for each town, the maximum
 113 percentage increase over its previous year's base revenue shall be the
 114 product of six per cent and the ratio of the wealth of the town ranked
 115 one hundred fifty-third when all towns are ranked in descending order

116 to each town's wealth, provided no town shall receive an increase
117 greater than six per cent. (C) No such cap shall be used for the fiscal
118 year ending June 30, 2004, or any fiscal year thereafter. (D) For the
119 fiscal year ending June 30, 1996, for each town, the maximum
120 percentage reduction from its previous year's base revenue shall be
121 equal to the product of three per cent and the ratio of each town's
122 wealth to the wealth of the town ranked seventeenth when all towns
123 are ranked in descending order, provided no town's grant shall be
124 reduced by more than three per cent. (E) For the fiscal years ending
125 June 30, 1997, June 30, 1998, and June 30, 1999, for each town, the
126 maximum percentage reduction from its previous year's base revenue
127 shall be equal to the product of five per cent and the ratio of each
128 town's wealth to the wealth of the town ranked seventeenth when all
129 towns are ranked in descending order, provided no town's grant shall
130 be reduced by more than five per cent. (F) For the fiscal year ending
131 June 30, 2000, and each fiscal year thereafter, no town's grant shall be
132 less than the grant it received for the prior fiscal year. (G) In addition
133 to the amount determined pursuant to this subdivision, a town shall be
134 eligible for a density supplement if the density of the town is greater
135 than the average density of all towns in the state. The density
136 supplement shall be determined by multiplying the density aid ratio of
137 the town by the foundation level and the town's total need students for
138 the prior fiscal year provided, for the fiscal year ending June 30, 2000,
139 and each fiscal year thereafter, no town's density supplement shall be
140 less than the density supplement such town received for the prior
141 fiscal year. (H) For the fiscal year ending June 30, 1997, the grant
142 determined in accordance with this subdivision for a town ranked one
143 to forty-two when all towns are ranked in descending order according
144 to town wealth shall be further reduced by one and two-hundredths of
145 a per cent and such grant for all other towns shall be further reduced
146 by fifty-six-hundredths of a per cent. (I) For the fiscal year ending June
147 30, 1998, and each fiscal year thereafter, no town whose school district
148 is a priority school district shall receive a grant pursuant to this
149 subdivision in an amount that is less than the amount received under

150 such grant for the prior fiscal year. (J) For the fiscal year ending June
151 30, 2000, and each fiscal year thereafter, no town whose school district
152 is a priority school district shall receive a grant pursuant to this
153 subdivision that provides an amount of aid per resident student that is
154 less than the amount of aid per resident student provided under the
155 grant received for the prior fiscal year. (K) For the fiscal year ending
156 June 30, 1998, and each fiscal year thereafter, no town whose school
157 district is a priority school district shall receive a grant pursuant to this
158 subdivision in an amount that is less than seventy per cent of the sum
159 of (i) the product of a town's base aid ratio, the foundation level and
160 the town's total need students for the fiscal year prior to the year in
161 which the grant is to be paid, (ii) the product of a town's supplemental
162 aid ratio, the foundation level and the sum of the portion of its total
163 need students count described in subparagraphs (B) and (C) of
164 subdivision (25) of section 10-262f for the fiscal year prior to the fiscal
165 year in which the grant is to be paid, and the adjustments to its
166 resident student count described in subdivision (22) of said section 10-
167 262f, as amended, relative to length of school year and summer school
168 sessions, and (iii) the town's regional bonus. (L) [For the fiscal year
169 ending June 30, 2000, and each fiscal year thereafter, no town whose
170 school district is a transitional school district shall receive a grant
171 pursuant to this subdivision in an amount that is less than forty per
172 cent of the sum of (i) the product of a town's base aid ratio, the
173 foundation level and the town's total need students for the fiscal year
174 prior to the fiscal year in which the grant is to be paid, (ii) the product
175 of a town's supplemental aid ratio, the foundation level and the sum of
176 the portion of its total need students count described in subparagraphs
177 (B) and (C) of subdivision (25) of section 10-262f for the fiscal year
178 prior to the fiscal year in which the grant is to be paid, and the
179 adjustments to its resident student count described in subdivision (22)
180 of said section 10-262f relative to length of school year and summer
181 school sessions, and (iii) the town's regional bonus. (M)] For the fiscal
182 year ending June 30, 2002, (i) each town whose target aid is capped
183 pursuant to this subdivision shall receive a grant that includes a pro

184 rata share of twenty-five million dollars based on the difference
 185 between its target aid and the amount of the grant determined with the
 186 cap, and (ii) all towns shall receive a grant that is at least 1.68 per cent
 187 greater than the grant they received for the fiscal year ending June 30,
 188 2001. [(N)] (M) For the fiscal year ending June 30, 2003, [(i)] each town
 189 whose target aid is capped pursuant to this subdivision shall receive a
 190 pro rata share of [fifty] forty million dollars based on the difference
 191 between its target aid and the amount of the grant determined with the
 192 cap. [, and (ii) each town shall receive a grant that is at least 1.2 per
 193 cent more than its base revenue, as defined in subdivision (28) of
 194 section 10-262f] (N) For the fiscal year ending June 30, 2003, all
 195 amounts determined pursuant to this section shall be reduced by two
 196 per cent.

197 Sec. 3. Section 10-264l of the general statutes, as amended by section
 198 65 of public act 01-173, is repealed and the following is substituted in
 199 lieu thereof (*Effective July 1, 2002*):

200 (a) The Department of Education shall, within available
 201 appropriations, establish a grant program to assist local and regional
 202 boards of education, regional educational service centers and
 203 cooperative arrangements pursuant to section 10-158a with the
 204 operation of interdistrict magnet school programs. For the purposes of
 205 this section "an interdistrict magnet school program" means a program
 206 which (1) supports racial, ethnic and economic diversity, (2) offers a
 207 special and high quality curriculum, and (3) requires students who are
 208 enrolled to attend at least half-time. An interdistrict magnet school
 209 program does not include a regional vocational agriculture school, a
 210 regional vocational-technical school or a regional special education
 211 center. On and after July 1, 2000, the governing authority for each
 212 interdistrict magnet school program shall restrict the number of
 213 students that may enroll in the program from a participating district to
 214 eighty per cent of the total enrollment of the program.

215 (b) Applications for interdistrict magnet school program operating

216 grants awarded pursuant to this section shall be submitted annually to
217 the Commissioner of Education at such time and in such manner as the
218 commissioner prescribes. In determining whether an application shall
219 be approved and funds awarded pursuant to this section, the
220 commissioner shall consider, but such consideration shall not be
221 limited to: (1) Whether the program offered by the school is likely to
222 increase student achievement; (2) whether the program is likely to
223 reduce racial, ethnic and economic isolation; and (3) the percentage of
224 the student enrollment in the program from each participating district.
225 On and after July 1, 2000, the commissioner shall not award a grant to
226 a program if more than eighty per cent of its total enrollment is from
227 one school district, except that the commissioner may award a grant
228 for good cause, for any one year, on behalf of an otherwise eligible
229 magnet school program, if more than eighty per cent of the total
230 enrollment is from one district.

231 (c) The maximum amount each interdistrict magnet school program
232 shall be eligible to receive per enrolled student shall be determined as
233 follows: (1) For each participating district whose magnet school
234 program enrollment is equal to or less than thirty per cent of the
235 magnet school program total enrollment, ninety per cent of the
236 foundation as defined in subdivision (7) of section 10-262f; (2) for each
237 participating district whose magnet school program enrollment is
238 greater than thirty per cent but less than or equal to sixty per cent of
239 the magnet school program total enrollment, a percentage between
240 sixty and ninety per cent of said foundation that is inversely
241 proportional to the percentage of magnet school program students
242 from such district; and (3) for each participating district whose magnet
243 school program enrollment is greater than sixty per cent but less than
244 or equal to ninety per cent of the magnet school program total
245 enrollment, a percentage between zero and sixty per cent of said
246 foundation that is inversely proportional to the percentage of magnet
247 school program students from such district. The amounts so
248 determined shall be proportionately adjusted, if necessary, within the
249 limit of the available appropriation, and in no case shall any grant

250 pursuant to this section exceed the reasonable operating budget of the
251 magnet school program, less revenues from other sources. Any magnet
252 school program operating less than full-time but at least half-time shall
253 be eligible to receive a grant equal to sixty-five per cent of the grant
254 amount determined pursuant to this subsection.

255 (d) Grants made pursuant to this section shall be paid as follows:
256 Fifty per cent by September first and the balance by January first of
257 each fiscal year. The January first payment shall be adjusted to reflect
258 actual interdistrict magnet school program enrollment as of the
259 preceding October first, if the actual level of enrollment is lower than
260 the projected enrollment stated in the approved grant application.

261 (e) The Department of Education may retain up to one per cent of
262 the amount appropriated for purposes of this section for program
263 evaluation and administration.

264 (f) Each local or regional school district in which an interdistrict
265 magnet school is located shall provide the same kind of transportation
266 to its children enrolled in such interdistrict magnet school as it
267 provides to its children enrolled in other public schools in such local or
268 regional school district. The parent or guardian of a child denied the
269 transportation services required to be provided pursuant to this
270 subsection may appeal such denial in the manner provided in sections
271 10-186 and 10-187.

272 [(g) On or before October fifteenth of each year, the Commissioner
273 of Education shall determine if interdistrict magnet school enrollment
274 is below the number of students for which funds were appropriated. If
275 the commissioner determines that the enrollment is below such
276 number, the additional funds shall not lapse but shall be used by the
277 commissioner for grants for interdistrict cooperative programs
278 pursuant to section 10-74d.]

279 [(h)] (g) In the case of a student identified as requiring special
280 education, the school district in which the student resides shall: (1)

281 Hold the planning and placement team meeting for such student and
 282 shall invite representatives from the interdistrict magnet school to
 283 participate in such meeting; and (2) pay the interdistrict magnet school
 284 an amount equal to the difference between the reasonable cost of
 285 educating such student and the sum of the amount received by the
 286 interdistrict magnet school for such student pursuant to subsection (c)
 287 of this section and amounts received from other state, federal, local or
 288 private sources calculated on a per pupil basis. Such school district
 289 shall be eligible for reimbursement pursuant to section 10-76g, as
 290 amended by this act. If a student requiring special education attends
 291 an interdistrict magnet school on a full-time basis, such interdistrict
 292 magnet school shall be responsible for ensuring that such student
 293 receives the services mandated by the student's individualized
 294 education program whether such services are provided by the
 295 interdistrict magnet school or by the school district in which the
 296 student resides.

297 [(i)] (h) Nothing in this section shall be construed to prohibit the
 298 enrollment of nonpublic school students in an interdistrict magnet
 299 school program that operates less than full-time, provided (1) such
 300 students constitute no more than five per cent of the full-time
 301 equivalent enrollment in such magnet school program, and (2) such
 302 students are not counted for purposes of determining the amount of
 303 grants pursuant to this section and section 10-264i.

304 Sec. 4. Section 10-266aa of the general statutes, as amended by
 305 section 29 of public act 01-1 of the June special session, is repealed and
 306 the following is substituted in lieu thereof (*Effective July 1, 2002*):

307 (a) As used in this section:

308 (1) "Receiving district" means any school district that accepts
 309 students under the program established pursuant to this section; and

310 (2) "Sending district" means any school district that sends students it
 311 would otherwise be legally responsible for educating to another school

312 district under the program; and

313 (3) "Minority students" means students who are "pupils of racial
314 minorities", as defined in section 10-226a.

315 (b) There is established, within available appropriations, an
316 interdistrict public school attendance program. The purpose of the
317 program shall be to: (1) Improve academic achievement; (2) reduce
318 racial, ethnic and economic isolation or preserve racial and ethnic
319 balance; and (3) provide a choice of educational programs for students
320 enrolled in the public schools. The Department of Education shall
321 provide oversight for the program, including the setting of reasonable
322 limits for the transportation of students participating in the program,
323 and may provide for the incremental expansion of the program for the
324 school year commencing in 2000 for each town required to participate
325 in the program pursuant to subsection (c) of this section.

326 (c) The program shall be phased in as provided in this subsection.
327 (1) For the school year commencing in 1998, and for each school year
328 thereafter, the program shall be in operation in the Hartford, New
329 Haven and Bridgeport regions. The Hartford program shall operate as
330 a continuation of the program described in section 10-266j. Students
331 who reside in Hartford, New Haven or Bridgeport may attend school
332 in another school district in the region and students who reside in such
333 other school districts may attend school in Hartford, New Haven or
334 Bridgeport, provided, beginning with the 2001-2002 school year, the
335 proportion of students who are not minority students to the total
336 number of students leaving Hartford, Bridgeport or New Haven to
337 participate in the program shall not be greater than the proportion of
338 students who were not minority students in the prior school year to
339 the total number of students enrolled in Hartford, Bridgeport or New
340 Haven in the prior school year. The regional educational service center
341 operating the program shall make program participation decisions in
342 accordance with the requirements of this subdivision. (2) For the
343 school year commencing in 2000, and for each school year thereafter,

344 the program shall be in operation in New London, provided beginning
345 with the 2001-2002 school year, the proportion of students who are not
346 minority students to the total number of students leaving New London
347 to participate in the program shall not be greater than the proportion
348 of students who were not minority students in the prior year to the
349 total number of students enrolled in New London in the prior school
350 year. The regional educational service center operating the program
351 shall make program participation decisions in accordance with this
352 subdivision. (3) The Department of Education may provide, within
353 available appropriations, grants for the fiscal year ending June 30,
354 2003, to the remaining regional educational service centers to assist
355 school districts in planning for a voluntary program of student
356 enrollment in every priority school district, pursuant to section 10-
357 266p, as amended by this act, which is interested in participating in
358 accordance with this subdivision. For the school year commencing in
359 2003, and for each school year thereafter, the voluntary enrollment
360 program may be in operation in every priority school district in the
361 state. Students from other school districts in the area of a priority
362 school district, as determined by the regional educational service
363 center pursuant to subsection (d) of this section, may attend school in
364 the priority school district, provided such students bring racial, ethnic
365 and economic diversity to the priority school district and do not
366 increase the racial, ethnic and economic isolation in the priority school
367 district.

368 (d) School districts which received students from New London
369 under the program during the 2000-2001 school year shall allow such
370 students to attend school in the district until they graduate from high
371 school. The attendance of such students in such program shall not be
372 supported by grants pursuant to subsections (f) and (g) of this section
373 but shall be supported, in the same amounts as provided for in said
374 subsections, by interdistrict cooperative grants pursuant to section 10-
375 74d, as amended, to the regional educational service centers operating
376 such programs.

377 (e) Once the program is in operation in the region served by a
378 regional educational service center pursuant to subsection (c) of this
379 section, the Department of Education shall provide an annual grant to
380 such a regional educational service center to assist school districts in its
381 area in administering the program and to provide staff to assist
382 students participating in the program to make the transition to a new
383 school and to act as a liaison between the parents of such students and
384 the new school district. Each regional educational service center shall
385 determine which school districts in its area are located close enough to
386 a priority school district to make participation in the program feasible
387 in terms of student transportation pursuant to subsection (e) of this
388 section, provided any student participating in the program prior to
389 July 1, 1999, shall be allowed to continue to attend the same school
390 such student attended prior to said date in the receiving district until
391 the student completes the highest grade in such school. Each regional
392 educational service center shall convene, annually, a meeting of
393 representatives of such school districts in order for such school
394 districts to report, by March thirty-first, the number of spaces available
395 for the following school year for out-of-district students under the
396 program. Annually, each regional educational service center shall
397 provide a count of such spaces to the Department of Education by
398 April fifteenth. If there are more students who seek to attend school in
399 a receiving district than there are spaces available, the regional
400 educational service center shall assist the school district in determining
401 attendance by the use of a lottery or lotteries designed to preserve or
402 increase racial, ethnic and economic diversity, except that the regional
403 educational service center shall give preference to siblings and to
404 students who would otherwise attend a school that has lost its
405 accreditation by the New England Association of Schools and Colleges.
406 The admission policies shall be consistent with section 10-15c and this
407 section. No receiving district shall recruit students under the program
408 for athletic or extracurricular purposes. Each receiving district shall
409 allow out-of-district students it accepts to attend school in the district
410 until they graduate from high school.

411 (f) The Department of Education shall provide grants to regional
412 educational service centers or local or regional boards of education for
413 the reasonable cost of transportation for students participating in the
414 program. For the fiscal year ending June 30, 2000, and each fiscal year
415 thereafter, the department shall provide such grants within available
416 appropriations, provided the state-wide average of such grants does
417 not exceed an amount equal to two thousand one hundred dollars for
418 each student transported. The regional educational service centers
419 shall provide reasonable transportation services to high school
420 students who wish to participate in supervised extracurricular
421 activities. For purposes of this section, the number of students
422 transported shall be determined on September first of each fiscal year.

423 (g) The Department of Education shall provide, within available
424 appropriations, an annual grant to the local or regional board of
425 education for each receiving district in an amount not to exceed two
426 thousand dollars for each out-of-district student who attends school in
427 the receiving district under the program. Each town which receives
428 funds pursuant to this subsection shall make such funds available to its
429 local or regional board of education in supplement to any other local
430 appropriation, other state or federal grant or other revenue to which
431 the local or regional board of education is entitled.

432 (h) Notwithstanding any provision of this chapter, each sending
433 district and each receiving district shall divide the number of children
434 participating in the program who reside in such district or attend
435 school in such district by two for purposes of the counts for
436 subdivision (22) of section 10-262f, as amended, and subdivision (2) of
437 subsection (a) of section 10-261, as amended.

438 (i) In the case of an out-of-district student who requires special
439 education and related services, the sending district shall pay the
440 receiving district an amount equal to the difference between the
441 reasonable cost of providing such special education and related
442 services to such student and the amount received by the receiving

443 district pursuant to subsection (g) of this section and in the case of
444 students participating pursuant to subsection (d) of this section, the
445 per pupil amount received pursuant to section 10-74d, as amended.
446 The sending district shall be eligible for reimbursement pursuant to
447 section 10-76g, as amended by this act.

448 (j) Nothing in this section shall prohibit school districts from
449 charging tuition to other school districts that do not have a high school
450 pursuant to section 10-33.

451 [(k) On or before October fifteenth of each year, the Commissioner
452 of Education shall determine if the enrollment in the program
453 pursuant to subsection (c) of this section for the fiscal year is below the
454 number of students for which funds were appropriated. If the
455 commissioner determines that the enrollment is below such number,
456 the additional funds shall not lapse but shall be used by the
457 commissioner in accordance with this subsection. (1) Any amount up
458 to three hundred fifty thousand dollars of such nonlapsing funds shall
459 be used for supplemental grants to receiving districts on a pro rata
460 basis for each out-of-district student in the program pursuant to
461 subsection (c) of this section who attends the same school in the
462 receiving district as at least nine other such out-of-district students, not
463 to exceed one thousand dollars per student. (2) Any remaining
464 nonlapsing funds shall be used for interdistrict cooperative grants
465 pursuant to section 10-74d.]

466 [(l)] (k) For purposes of the state-wide mastery examinations under
467 section 10-14n, students participating in the program established
468 pursuant to this section shall be considered residents of the school
469 district in which they attend school.

470 (l) Each interdistrict magnet school, operated by a regional
471 educational service center under this section, shall be eligible for the
472 state's subsidy calculated in subsection (c) of this section plus a
473 subsidy from participating districts calculated as follows: (1) On or
474 before October fifteenth each regional educational service center shall

475 calculate its average per pupil expenditure for the prior school year; (2)
 476 from such amount its expected per pupil state subsidy calculated
 477 under subsection (c) of this section shall be subtracted; (3) any agreed
 478 upon participating district subsidy shall then be subtracted; and (4) if
 479 an unfunded balance remains, seventy-five per cent of such remaining
 480 balance shall be charged to the sending district to further offset the
 481 operating costs of the interdistrict magnet school, except that no
 482 sending district's total subsidy pursuant to this subsection shall exceed
 483 such district's average per pupil cost for the prior year for students
 484 educated within the district.

485 Sec. 5. Section 10-66ee of the general statutes, as amended by section
 486 27 of public act 01-1 of the June special session, is repealed and the
 487 following is substituted in lieu thereof (*Effective July 1, 2002*):

488 (a) For the purposes of education equalization aid under section 10-
 489 262h, as amended by this act, a student enrolled (1) in a local charter
 490 school shall be considered a student enrolled in the school district in
 491 which such student resides, and (2) in a state charter school shall not
 492 be considered a student enrolled in the school district in which such
 493 student resides.

494 (b) The local board of education of the school district in which a
 495 student enrolled in a local charter school resides shall pay, annually, in
 496 accordance with its charter, to the fiscal authority for the charter school
 497 for each such student the amount specified in its charter, including the
 498 reasonable special education costs of students requiring special
 499 education. The board of education shall be eligible for reimbursement
 500 for such special education costs pursuant to section 10-76g, as
 501 amended by this act.

502 (c) (1) The state shall, annually, pay in accordance with this
 503 subsection, to the fiscal authority for a state charter school, seven
 504 thousand dollars for each student enrolled in such school. Such
 505 payments shall be made as follows: Twenty-five per cent of the
 506 amount not later than July fifteenth and September fifteenth based on

507 estimated student enrollment on May first, and twenty-five per cent of
508 the amount not later than January fifteenth and the remaining amount
509 not later than April fifteenth, each based on student enrollment on
510 October first. (2) In the case of a student identified as requiring special
511 education, the school district in which the student resides shall: (A)
512 Hold the planning and placement team meeting for such student and
513 shall invite representatives from the charter school to participate in
514 such meeting; and (B) pay the state charter school, on a quarterly basis,
515 an amount equal to the difference between the reasonable cost of
516 educating such student and the sum of the amount received by the
517 state charter school for such student pursuant to subdivision (1) of this
518 subsection and amounts received from other state, federal, local or
519 private sources calculated on a per pupil basis. Such school district
520 shall be eligible for reimbursement pursuant to section 10-76g, as
521 amended by this act. The charter school a student requiring special
522 education attends shall be responsible for ensuring that such student
523 receives the services mandated by the student's individualized
524 education program whether such services are provided by the charter
525 school or by the school district in which the student resides.

526 [(d) On or before October fifteenth of the fiscal years beginning July
527 1, 2001, and July 1, 2002, the Commissioner of Education shall
528 determine if the enrollment in the program for the fiscal year is below
529 the number of students for which funds were appropriated. If the
530 commissioner determines that the enrollment is below such number,
531 the additional funds shall not lapse but shall be used by the
532 commissioner for (1) grants for interdistrict cooperative programs
533 pursuant to section 10-74d, (2) grants for open choice programs
534 pursuant to section 10-266aa, or (3) grants for interdistrict magnet
535 schools pursuant to section 10-264l.]

536 [(e)] (d) Notwithstanding any provision of the general statutes, [to
537 the contrary,] if at the end of a fiscal year amounts received by a state
538 charter school, pursuant to subdivision (1) of subsection (c) of this
539 section, are unexpended, the charter school (1) may use, for the

540 expenses of the charter school for the following fiscal year, up to ten
541 per cent of such amounts, and (2) may (A) create a reserve fund to
542 finance a specific capital or equipment purchase or another specified
543 project as may be approved by the commissioner, and (B) deposit into
544 such fund up to five per cent of such amounts.

545 ~~[(f)]~~ (e) The local or regional board of education of the school district
546 in which the charter school is located shall provide transportation
547 services for students of the charter school who reside in such school
548 district pursuant to section 10-273a unless the charter school makes
549 other arrangements for such transportation. Any local or regional
550 board of education may provide transportation services to a student
551 attending a charter school outside of the district in which the student
552 resides and, if it elects to provide such transportation, shall be
553 reimbursed pursuant to section 10-266m, as amended by this act, for
554 the reasonable costs of such transportation. Any local or regional board
555 of education providing transportation services under this subsection
556 may suspend such services in accordance with the provisions of
557 section 10-233c, as amended. The parent or guardian of any student
558 denied the transportation services required to be provided pursuant to
559 this subsection may appeal such denial in the manner provided in
560 sections 10-186, as amended, and 10-187.

561 ~~[(g)]~~ (f) Charter schools shall be eligible to the same extent as boards
562 of education for any grant for special education, competitive state
563 grants and grants pursuant to sections 10-17g and 10-266w.

564 ~~[(h)]~~ (g) If the commissioner finds that any charter school uses a
565 grant under this section for a purpose that is inconsistent with the
566 provisions of this part, the commissioner may require repayment of
567 such grant to the state.

568 ~~[(i)]~~ (h) Charter schools shall receive, in accordance with federal law
569 and regulations, any federal funds available for the education of any
570 pupils attending public schools.

571 [(j)] (i) The governing council of a charter school may (1) contract or
572 enter into other agreements for purposes of administrative or other
573 support services, transportation, plant services or leasing facilities or
574 equipment, and (2) receive and expend private funds or public funds,
575 including funds from local or regional boards of education and funds
576 received by local charter schools for out-of-district students, for school
577 purposes.

578 Sec. 6. Subsection (c) of section 10-10a of the general statutes is
579 repealed and the following is substituted in lieu thereof (*Effective July*
580 *1, 2002*):

581 (c) The department shall initiate a pilot system project not later than
582 the [2002-2003] 2003-2004 school year with full implementation in the
583 school year following successful implementation of the pilot. All
584 school districts shall participate in the system, provided the
585 department provides for technical assistance and training of school
586 staff in the use of the system.

587 Sec. 7. Subsection (a) of section 10-266m of the general statutes is
588 amended by adding subdivision (4) as follows (*Effective July 1, 2002*):

589 (NEW) (4) Notwithstanding the provisions of this section, for the
590 fiscal year ending June 30, 2003, the amount of transportation grants
591 payable to local or regional boards of education, shall be reduced
592 proportionately if the total of such grants in such year exceeds the
593 amount appropriated for such grants for such year.

594 Sec. 8. Section 10-71 of the general statutes is amended by adding
595 subsection (d) as follows (*Effective July 1, 2002*):

596 (NEW) (d) Notwithstanding the provisions of this section, for the
597 fiscal year ending June 30, 2003, the amount of the grants payable to
598 local or regional boards of education in accordance with this section,
599 shall be reduced proportionately if the total of such grants in such year
600 exceeds the amount appropriated for the purposes of this section for

601 such year.

602 Sec. 9. Subsection (d) of section 10-292o of the general statutes is
603 repealed and the following is substituted in lieu thereof (*Effective July*
604 *1, 2002*):

605 (d) The amount of the regional educational service center lease grant
606 approved by the Commissioner of Education under the provisions of
607 this section shall be the eligible percentage, as determined in
608 subsection (c) of section 10-285a, up to a maximum eligible percentage
609 of fifty per cent times the eligible lease costs as determined by the
610 Commissioner of Education. Grants pursuant to this section shall be
611 paid on a current year basis if the regional educational service center
612 files an application to lease a facility with the state Department of
613 Education on or before August first of each year. No such facility or
614 portion thereof shall be eligible for a grant under this section unless the
615 local fire marshal has declared the facility suitable for occupancy as a
616 facility for use in furnishing educational programs and services.
617 Eligible costs pursuant to this section shall be limited to the lease cost
618 of the building, net of any other costs. Grant payments shall be made
619 as follows: Twenty-five per cent of the estimated cost in October,
620 twenty-five per cent of the estimated cost in January, and the balance
621 of the estimated cost in April. The actual cost will be reported on or
622 before September first following the year of application on the end of
623 school year report filed by each regional educational service center. If
624 the Commissioner of Education determines that there has been an
625 underpayment or overpayment in a grant made pursuant to this
626 section, the commissioner shall calculate the amount of the
627 underpayment or overpayment and shall adjust the amount of the
628 grant payment for the fiscal year next following the fiscal year in
629 which such underpayment or overpayment was made. The amount of
630 the adjustment shall be equal to the amount of the underpayment or
631 overpayment. If the amount of the overpayment exceeds the grant
632 payment for the fiscal year next following the fiscal year in which such
633 overpayment was made, the regional educational service center shall,

634 upon the request of the commissioner, pay the department the
635 difference. Any lease pursuant to this section shall be for a period not
636 to exceed twenty years. In no event shall the reimbursement pursuant
637 to this section be based upon a cost per square foot which exceeds the
638 cost determined to be reasonable by the Commissioner of Education.
639 In the case of any grants computed under this section, any federal
640 funds or other state funds received for such costs covered by the grant
641 shall be deducted from cost estimates prior to computation of the
642 grant.

643 Sec. 10. Subsection (a) of section 10-65 of the general statutes is
644 repealed and the following is substituted in lieu thereof (*Effective July*
645 *1, 2002*):

646 (a) Each local or regional school district operating a vocational
647 agriculture center approved by the State Board of Education for
648 program, educational need, location and area to be served shall be
649 eligible for the following grants: (1) In accordance with the provisions
650 of chapter 173, the net eligible costs, in a lump sum, of constructing,
651 acquiring, renovating and equipping approved facilities to be used for
652 such vocational agriculture center, for the expansion or improvement
653 of existing facilities or for the replacement or improvement of
654 equipment therein, and (2) subject to the provisions of section 10-65b,
655 [in] within available appropriations, an amount equal to seven
656 hundred dollars per student for every secondary school student who
657 was enrolled in such center on October first of the previous year. If the
658 total of such grants in a year exceeds the amount appropriated for the
659 purposes of this section for such year, such grants shall be reduced
660 proportionately.

661 Sec. 11. Section 8-265pp of the general statutes, as amended by
662 section 57 of public act 01-173, is repealed and the following is
663 substituted in lieu thereof (*Effective July 1, 2002*):

664 The Connecticut Housing Finance Authority shall develop and
665 administer a program of mortgage assistance to certified teachers (1)

666 employed by priority school districts pursuant to section 10-266p, as
 667 amended by this act, (2) employed by [transitional] school districts
 668 [pursuant to section 10-263c] that have priority schools, as defined in
 669 section 10-16p, as amended by this act, (3) employed by regional
 670 vocational-technical schools located in such priority or transitional
 671 school districts, or (4) who teach in a subject matter shortage area
 672 pursuant to section 10-8b. Such assistance shall be available to eligible
 673 teachers for the purchase of a house as their principal residence,
 674 provided, in the case of a teacher employed by a priority or a
 675 transitional school district, or by a regional vocational-technical school
 676 located in a priority or transitional school district, the house is located
 677 in such district. In making mortgage assistance available under the
 678 program, the authority shall utilize downpayment assistance or any
 679 other appropriate housing subsidies. The terms of any mortgage
 680 assistance shall allow the mortgagee to realize a reasonable portion of
 681 the equity gain upon sale of the mortgaged property. For purposes of
 682 this section, "minorities" means those whose racial ancestry is defined
 683 as other than white by the Bureau of Census of the United States
 684 Department of Commerce.

685 Sec. 12. Subsection (a) of section 17b-749c of the general statutes is
 686 repealed and the following is substituted in lieu thereof (*Effective July*
 687 *1, 2002*):

688 (a) The Commissioner of Social Services, in consultation with the
 689 Commissioner of Education, shall establish a program, within
 690 available appropriations, to provide, on a competitive basis,
 691 supplemental quality enhancement grants to providers of child day
 692 care services or providers of school readiness programs pursuant to
 693 section 10-16p, as amended by this act. [and section 10-16u.] Child day
 694 care providers and school readiness programs may apply for a
 695 supplemental quality enhancement grant at such time and on such
 696 form as the Commissioner of Social Services prescribes.

697 Sec. 13. Section 10-16o of the general statutes, as amended by section

698 10 of public act 01-1 of the June special session, is repealed and the
699 following is substituted in lieu thereof (*Effective July 1, 2002*):

700 The state shall encourage the development of a network of school
701 readiness programs pursuant to sections 10-16p to 10-16r, inclusive, as
702 amended by this act, [10-16u] and 17b-749a in order to:

703 (1) Provide open access for children to quality programs that
704 promote the health and safety of children and prepare them for formal
705 schooling;

706 (2) Provide opportunities for parents to choose among affordable
707 and accredited or approved programs;

708 (3) Encourage coordination and cooperation among programs and
709 prevent the duplication of services;

710 (4) Recognize the specific service needs and unique resources
711 available to particular municipalities and provide flexibility in the
712 implementation of programs;

713 (5) Prevent or minimize the potential for developmental delay in
714 children prior to children reaching the age of five;

715 (6) Enhance federally funded school readiness programs;

716 (7) Strengthen the family through: (A) Encouragement of parental
717 involvement in a child's development and education; and (B)
718 enhancement of a family's capacity to meet the special needs of the
719 children, including children with disabilities;

720 (8) Reduce educational costs by decreasing the need for special
721 education services for school age children and to avoid grade
722 repetition;

723 (9) Assure that children with disabilities are integrated into
724 programs available to children who are not disabled; and

725 (10) Improve the availability and quality of school readiness
726 programs and their coordination with the services of child care
727 providers.

728 Sec. 14. Section 10-16p of the general statutes, as amended by
729 section 48 of public act 01-173 and sections 11 to 13, inclusive, of public
730 act 01-1 of the June special session is repealed and the following is
731 substituted in lieu thereof (*Effective July 1, 2002*):

732 (a) As used in sections 10-16o to 10-16r, inclusive, as amended by
733 this act, [10-16u,] 17b-749a and 17b-749c, as amended by this act:

734 (1) "School readiness program" means a nonsectarian program that
735 (A) meets the standards set by the department pursuant to subsection
736 (b) of this section and the requirements of section 10-16q, as amended,
737 and (B) provides a developmentally appropriate learning experience of
738 not less than four hundred fifty hours and one hundred eighty days
739 for eligible children, provided, for the fiscal years ending June 30, 1998,
740 and June 30, 1999, the commissioner may approve programs that
741 provide learning experiences which are for less than said hours and
742 days;

743 (2) "Eligible children" means children three and four years of age
744 and children five years of age who are not eligible to enroll in school
745 pursuant to section 10-15c, or who are eligible to enroll in school and
746 will attend a school readiness program pursuant to section 10-16t;

747 (3) "Priority school" means a school in which forty per cent or more
748 of the lunches served are served to students who are eligible for free or
749 reduced price lunches pursuant to federal law and regulations,
750 excluding such a school located in a priority school district pursuant to
751 section 10-266p, as amended by this act, or in a former priority school
752 district receiving a grant pursuant to subsection (c) of this section;
753 [and, on and after July 1, 2001, excluding such a school in a transitional
754 school district receiving a grant pursuant to section 10-16u;]

755 (4) "Severe need school" means a school in a priority school district
756 pursuant to section 10-266p, as amended by this act, or in a former
757 priority school district in which forty per cent or more of the lunches
758 served are served to students who are eligible for free or reduced price
759 lunches;

760 (5) "Accredited" means accredited by the National Association for
761 the Education of Young Children, a Head Start on-site program review
762 instrument or a successor instrument pursuant to federal regulations,
763 or otherwise meeting such criteria as may be established by the
764 commissioner, in consultation with the Commissioner of Social
765 Services;

766 (6) "Approved" means meeting the criteria established by the
767 commissioner, in consultation with the Commissioner of Social
768 Services;

769 (7) "Year-round" means fifty weeks per year;

770 (8) "Commissioner" means the Commissioner of Education; and

771 (9) "Department" means the Department of Education.

772 (b) The Department of Education shall be the lead agency for school
773 readiness. For purposes of this section, [and section 10-16u,] school
774 readiness program providers eligible for funding from the Department
775 of Education shall include local and regional boards of education,
776 regional educational service centers, family resource centers and
777 providers of child day care centers, as defined in section 19a-77, Head
778 Start programs, preschool programs and other programs that meet
779 such standards established by the Commissioner of Education. The
780 department shall establish standards for school readiness programs.
781 The standards may include, but need not be limited to, guidelines for
782 staff-child interactions, curriculum content, including preliteracy
783 development, lesson plans, parent involvement, staff qualifications
784 and training, and administration. The department shall develop age-

785 appropriate developmental skills and goals for children attending such
786 programs. The commissioner, in consultation with the Commissioners
787 of Higher Education and Social Services and other appropriate entities,
788 shall develop a continuing education training program for the staff of
789 school readiness programs. For purposes of this section, on and after
790 July 1, 2003, "staff qualifications" means there is in each classroom an
791 individual who has at least the following: (1) A credential issued by an
792 organization approved by the Commissioner of Education and nine
793 credits or more in early childhood education or child development
794 from an institution of higher education accredited by the Board of
795 Governors of Higher Education or regionally accredited; (2) an
796 associate's degree in early childhood education or child development
797 from such an institution; or (3) a four-year degree in early childhood
798 education or child development from such an institution.

799 (c) The Commissioner of Education, in consultation with the
800 Commissioner of Social Services, shall establish a grant program to
801 provide spaces in accredited or approved school readiness programs
802 for eligible children who reside in priority school districts pursuant to
803 section 10-266p, as amended by this act, or in former priority school
804 districts as provided in this subsection. Under the program, the grant
805 shall be provided, in accordance with this section, to the town in which
806 such priority school district or former priority school district is located.
807 Eligibility shall be determined for a five-year period based on an
808 applicant's designation as a priority school district for the initial year
809 of application, except that if a school district that receives a grant
810 pursuant to this subsection is no longer designated as a priority school
811 district at the end of such five-year period, such former priority school
812 district shall continue to be eligible to receive a grant pursuant to this
813 subsection. Grant awards shall be made annually contingent upon
814 available funding and a satisfactory annual evaluation. The chief
815 elected official of such town and the superintendent of schools for such
816 priority school district or former priority school district shall submit a
817 plan for the expenditure of grant funds and responses to the local
818 request for proposal process to the Departments of Education and

819 Social Services. The departments shall jointly review such plans and
820 shall each approve the portion of such plan within its jurisdiction for
821 funding. The plan shall: (1) Be developed in consultation with the local
822 or regional school readiness council established pursuant to section 10-
823 16r, as amended by this act; (2) be based on a needs and resource
824 assessment; (3) provide for the issuance of requests for proposals for
825 providers of accredited or approved school readiness programs,
826 provided, after the initial requests for proposals, facilities that have
827 been approved to operate a child care program financed through the
828 Connecticut Health and Education Facilities Authority and have
829 received a commitment for debt service from the Department of Social
830 Services pursuant to section 17b-749i, are exempt from the requirement
831 for issuance of annual requests for proposals; and (4) identify the need
832 for funding pursuant to section 17b-749a in order to extend the hours
833 and days of operation of school readiness programs in order to
834 provide child day care services for children attending such programs.

835 (d) The Commissioner of Education, in consultation with the
836 Commissioner of Social Services, shall establish a competitive grant
837 program to provide spaces in accredited or approved school readiness
838 programs for eligible children who reside in an area served by a
839 priority school. A town in which such a school is located or a regional
840 school readiness council, pursuant to subsection (c) of section 10-16r,
841 as amended by this act, for a region in which such a school is located
842 may apply for such a grant in an amount not to exceed one hundred
843 thousand dollars per priority school. Eligibility shall be determined for
844 a five-year period based on an applicant's designation as having a
845 priority school for the initial year of application. Grant awards shall be
846 made annually contingent upon available funding and a satisfactory
847 annual evaluation. The chief elected official of such town and the
848 superintendent of schools of the school district or the regional school
849 readiness council shall submit a plan, as described in subsection (c) of
850 this section, for the expenditure of such grant funds to the Department
851 of Education. In awarding grants pursuant to this subsection, the
852 commissioner shall give preference to applications submitted by

853 regional school readiness councils and may, within available
854 appropriations, provide a grant in excess of one hundred thousand
855 dollars to towns with two or more priority schools in such district. A
856 town or regional school readiness council awarded a grant pursuant to
857 this subsection shall use the funds to purchase spaces for such children
858 from providers of accredited or approved school readiness programs.

859 (e) (1) Ninety-three per cent of the amount appropriated for
860 purposes of this section shall be used for the grant program pursuant
861 to subsection (c) of this section. Priority school districts and former
862 priority school districts shall receive grants based on their proportional
863 share of the sum of the products obtained by multiplying the average
864 number of enrolled kindergarten students in each priority school
865 district and in each former priority school district for the three years
866 prior to the year the grant is to be paid, by the ratio of the average
867 percentage of free and reduced price meals for all severe need schools
868 in such district to the minimum percentage requirement for severe
869 need school eligibility, provided no such school district shall receive a
870 grant that is less than the grant it received for the prior fiscal year or a
871 grant that is less than one hundred fifty thousand dollars.

872 (2) Six and five-tenths per cent of the amount appropriated for
873 purposes of this section shall be used for the competitive grant
874 program pursuant to subsection (d) of this section.

875 (3) The Department of Education may retain up to five-tenths of one
876 per cent of the amount appropriated for purposes of this section for
877 coordination, program evaluation and administration.

878 (4) If a town that is eligible for a grant pursuant to subsection (c) of
879 this section does not submit, by January first, a plan which is
880 subsequently approved for the expenditure of the entire amount of
881 funds for which such town is eligible, the department may use up to
882 fifty per cent of any amounts such town has not earmarked for
883 expenditure to provide supplemental grants to other towns that are
884 eligible for grants pursuant to subsection (c) of this section.

885 (f) Any school readiness program that receives funds pursuant to
886 this section [or section 10-16u] shall not discriminate on the basis of
887 race, color, national origin, gender, religion or disability. For purposes
888 of this section, a nonsectarian program means any public or private
889 school readiness program that is not violative of the Establishment
890 Clause of the Constitution of the State of Connecticut or the
891 Establishment Clause of the Constitution of the United States of
892 America.

893 (g) Subject to the provisions of this subsection, no funds received by
894 a town pursuant to subsection (c) or (d) of this section [or section 10-
895 16u] shall be used to supplant federal, state or local funding received
896 by such town for early childhood education, provided (1) a town may
897 use the greater of (A) twenty-five thousand dollars, or (B) up to five
898 per cent but no more than fifty thousand dollars of the amount
899 received pursuant to subsection (c) or (d) of this section [or section 10-
900 16u] for coordination, program evaluation and administration, and (2)
901 if a town provides twenty-five thousand dollars in local funding for
902 early childhood education coordination, program evaluation and
903 administration, such town may use up to ten per cent but no more
904 than seventy-five thousand dollars of such amount for coordination,
905 program evaluation and administration. Each town that receives a
906 grant pursuant to said subsection (c) or (d) [or section 10-16u] shall
907 designate a person to be responsible for such coordination, program
908 evaluation and administration and to act as a liaison between the town
909 and the Departments of Education and Social Services. Each school
910 readiness program that receives funds pursuant to this section [or
911 section 10-16u] shall provide information to the department or the
912 school readiness council, as requested, that is necessary for purposes of
913 any school readiness program evaluation.

914 (h) For the first three years a town receives grants pursuant to this
915 section, such grants may be used, with the approval of the
916 commissioner, to prepare a facility or staff for operating a school
917 readiness program and shall be adjusted based on the number of days

918 of operation of a school readiness program if a shorter term of
919 operation is approved by the commissioner.

920 (i) A town may use grant funds to purchase spaces for eligible
921 children who reside in such town at an accredited or approved school
922 readiness program located in another town. A regional school
923 readiness council may use grant funds to purchase spaces for eligible
924 children who reside in the region covered by the council at an
925 accredited or approved school readiness program located outside such
926 region.

927 (j) Children enrolled in school readiness programs funded pursuant
928 to this section shall not be counted (1) as resident students for
929 purposes of subdivision (22) of section 10-262f, as amended, or (2) in
930 the determination of average daily membership pursuant to
931 subdivision (2) of subsection (a) of section 10-261, as amended.

932 Sec. 15. Section 10-16r of the general statutes, as amended by section
933 15 of public act 01-1 of the June special session, is repealed and the
934 following is substituted in lieu thereof (*Effective July 1, 2002*):

935 (a) A town seeking to apply for a grant pursuant to subsection (c) of
936 section 10-16p, as amended by this act, [or section 10-16u] shall
937 convene a local school readiness council or shall establish a regional
938 school readiness council pursuant to subsection (c) of this section. Any
939 other town may convene such a council. The chief elected official of the
940 town or, in the case of a regional school district, the chief elected
941 officials of the towns in the school district and the superintendent of
942 schools for the school district shall jointly appoint and convene such
943 council. Each school readiness council shall be composed of: (1) The
944 chief elected official, or the official's designee; (2) the superintendent of
945 schools, or a management level staff person as the superintendent's
946 designee; (3) parents; (4) representatives from local programs such as
947 Head Start, family resource centers, nonprofit and for-profit child day
948 care centers, group day care homes, prekindergarten and nursery
949 schools, and family day care home providers; and (5) other

950 representatives from the community who provide services to children.
951 The chief elected official shall designate the chairperson of the school
952 readiness council.

953 (b) The local school readiness council shall: (1) Make
954 recommendations to the chief elected official and the superintendent of
955 schools on issues relating to school readiness, including any
956 applications for grants pursuant to sections 10-16p, as amended by this
957 act, [10-16u,] 17b-749a and 17b-749c, as amended by this act; (2) foster
958 partnerships among providers of school readiness programs; (3) assist
959 in the identification of the need for school readiness programs and the
960 number of children not being served by such a program; (4) submit
961 biannual reports to the Department of Education on the number and
962 location of school readiness spaces and estimates of future needs; (5)
963 cooperate with the department in any program evaluation and, on and
964 after July 1, 2000, use measures developed pursuant to section 10-16s
965 for purposes of evaluating the effectiveness of school readiness
966 programs; (6) identify existing and prospective resources and services
967 available to children and families; (7) facilitate the coordination of the
968 delivery of services to children and families, including (A) referral
969 procedures, and (B) before and after-school child care for children
970 attending kindergarten programs; (8) exchange information with other
971 councils, the community and organizations serving the needs of
972 children and families; (9) make recommendations to school officials
973 concerning transition from school readiness programs to kindergarten;
974 and (10) encourage public participation.

975 (c) Two or more towns or school districts and appropriate
976 representatives of groups or entities interested in early childhood
977 education in a region may establish a regional school readiness
978 council. If a priority school is located in at least one of such school
979 districts, the regional school readiness council may apply for a grant
980 pursuant to subsection (d) of section 10-16p, as amended by this act.
981 The regional school readiness council may perform the duties outlined
982 in subdivisions (2) to (10), inclusive, of subsection (b) of this section.

983 Sec. 16. Subsection (d) of section 10-262n of the general statutes, as
984 amended by section 44 of public act 01-1 of the June special session, is
985 repealed and the following is substituted in lieu thereof (*Effective July*
986 *1, 2002*):

987 (d) (1) Each school district shall be eligible to receive a minimum
988 grant under the program as follows: (A) Each school district in towns
989 ranked from one to one hundred thirteen, inclusive, when all towns
990 are ranked in ascending order from one to one hundred sixty-nine
991 based on town wealth, as defined in subdivision (26) of section 10-262f,
992 shall be eligible to receive a minimum grant in the amount of thirty
993 thousand dollars, and (B) each school district in towns ranked from
994 one hundred fourteen to one hundred sixty-nine, inclusive, when all
995 towns are ranked in ascending order from one to one hundred sixty-
996 nine based on town wealth, as defined in subdivision (26) of section
997 10-262f, shall be eligible to receive a minimum grant under the
998 program in the amount of fifteen thousand dollars. Such minimum
999 grant may be increased for certain school districts pursuant to
1000 subdivision (4) of this subsection. (2) The department shall use (A) one
1001 hundred thousand dollars of the amount appropriated for purposes of
1002 this section for the vocational-technical schools for wiring and other
1003 technology initiatives at such schools, and (B) fifty thousand dollars of
1004 the amount appropriated for purposes of this section for technology
1005 grants to state charter schools. The amount of the grant each state
1006 charter school receives shall be based on the number of students
1007 enrolled in the school. (3) The department may retain up to one per
1008 cent of the amount appropriated for purposes of this section for
1009 coordination, program evaluation and administration. (4) Any
1010 remaining appropriated funds shall be used to increase the grants to
1011 (A) priority school districts pursuant to section 10-266p, as amended
1012 by this act, [(B) transitional school districts pursuant to section 10-263c,
1013 and (C)] and (B) school districts in towns ranked from one to eighty-
1014 five, inclusive, when all towns are ranked in ascending order from one
1015 to one hundred sixty-nine based on town wealth, as defined in section
1016 10-262f, as amended. Each such school district shall receive an amount

1017 based on the ratio of the number of resident students, as defined in
1018 said section 10-262f, in such school district to the total number of
1019 resident students in all such school districts.

1020 Sec. 17. Section 10-265j of the general statutes is repealed and the
1021 following is substituted in lieu thereof (*Effective July 1, 2002*):

1022 The Commissioner of Education shall establish two pilot early
1023 childhood learning programs. The pilot programs shall be established
1024 in priority school districts pursuant to section 10-266p, as amended by
1025 this act. [or transitional school districts.] One program shall be in a
1026 municipality with a population of fifty to one hundred thousand,
1027 inclusive, and one program shall be in a municipality with a
1028 population over one hundred thousand. Each pilot program may
1029 include a laboratory school and a model day care program that serves
1030 sixty children ages three to five. The Department of Education shall
1031 issue a request for proposals for the pilot programs. The commissioner
1032 shall provide grants in the amount of one hundred thousand dollars
1033 each for purposes of such pilot programs. The grants shall be provided
1034 from the amount appropriated for purposes of section 10-265f, as
1035 amended.

1036 Sec. 18. Section 10-266p of the general statutes, as amended by
1037 section 33 of public act 01-1 of the June special session, is repealed and
1038 the following is substituted in lieu thereof (*Effective July 1, 2002*):

1039 (a) The State Board of Education shall administer a priority school
1040 district grant program to assist certain school districts to improve
1041 student achievement and enhance educational opportunities. The
1042 grant program shall include the priority school district portions of the
1043 grant programs established pursuant to sections 10-16p, as amended
1044 by this act, 10-265f, as amended, 10-265m, as amended, and 10-266t.
1045 The grant program and its component parts shall be for school districts
1046 in (1) the eight towns in the state with the largest population, based on
1047 the most recent federal decennial census, (2) towns which rank for the
1048 first fiscal year of each biennium from one to eleven when all towns

1049 are ranked in descending order from one to one hundred sixty-nine
1050 based on the number of children under the temporary family
1051 assistance program, as defined in subdivision (17) of section 10-262f,
1052 plus the mastery count of the town, as defined in subdivision (9) of
1053 said section 10-262f, and (3) towns which rank for the first fiscal year of
1054 each biennium one to eleven when all towns are ranked in descending
1055 order from one to one hundred sixty-nine based on the ratio of the
1056 number of children under the temporary family assistance program as
1057 so defined to the resident students of such town, as defined in
1058 subdivision (19) of said section 10-262f, plus the grant mastery
1059 percentage of the town, as defined in subdivision (8) of said section 10-
1060 262f. The State Board of Education shall utilize the categorical grant
1061 program established under this section and sections 10-266q and 10-
1062 266r and other educational resources of the state to work cooperatively
1063 with such school districts during any school year to improve their
1064 educational programs or to provide early childhood education or early
1065 reading intervention programs. The component parts of the grant shall
1066 be allocated according to the provisions of sections 10-16p, as amended
1067 by this act, 10-265f, as amended, 10-265m, as amended, and 10-266t.
1068 [Subject to the provisions of subsection (c) of section 10-276a, the] The
1069 State Board of Education shall allocate one million dollars to each of
1070 the eight towns described in subdivision (1) of this subsection and five
1071 hundred thousand dollars to each of the towns described in
1072 subdivisions (2) and (3) of this subsection, except the towns described
1073 in subdivision (1) of this subsection shall not receive any additional
1074 allocation if they are also described in subdivision (2) or (3) of this
1075 subsection.

1076 [(b) Notwithstanding the provisions of subsection (a) of this section,
1077 any town which received a grant pursuant to this section for the fiscal
1078 year ending June 30, 1999, and which does not qualify for a grant
1079 pursuant to subsection (a) of this section for the fiscal year ending June
1080 30, 2000, shall receive grants for the fiscal years ending June 30, 2000,
1081 June 30, 2001, and June 30, 2002, in amounts determined in accordance
1082 with this subsection. (1) For the fiscal year ending June 30, 2000, in an

1083 amount equal to the difference between (A) the amount of the grant
1084 such town received pursuant to this section for the fiscal year ending
1085 June 30, 1999, and (B) an amount equal to twenty-five per cent of the
1086 difference between (i) the amount of the grant such town received
1087 pursuant to this section for the fiscal year ending June 30, 1999, and (ii)
1088 the amount of the grants received by transitional school districts
1089 pursuant to section 10-263c. (2) For the fiscal year ending June 30, 2001,
1090 in an amount equal to the difference between (A) the amount of the
1091 grant such town received pursuant to this section for the fiscal year
1092 ending June 30, 1999, and (B) an amount equal to fifty per cent of the
1093 difference between (i) the amount of the grant such town received
1094 pursuant to this section for the fiscal year ending June 30, 1999, and (ii)
1095 the amount of the grants received by transitional school districts
1096 pursuant to section 10-263c. (3) For the fiscal year ending June 30, 2002,
1097 in an amount equal to the difference between (A) the amount of the
1098 grant such town received pursuant to this section for the fiscal year
1099 ending June 30, 1999, and (B) an amount equal to seventy-five per cent
1100 of the difference between (i) the amount of the grant such town
1101 received pursuant to this section for the fiscal year ending June 30,
1102 1999, and (ii) the amount of the grants received by transitional school
1103 districts pursuant to section 10-263c.]

1104 [(c)] (b) In addition to the amount allocated pursuant to subsection
1105 (a) of this section, for the fiscal year ending June 30, 1997, and each
1106 fiscal year thereafter, the State Board of Education shall allocate (1)
1107 seven hundred fifty thousand dollars to each town which ranks from
1108 one to three, inclusive, in population pursuant to subdivision (1) of
1109 said subsection (a) and three hundred thirty-four thousand dollars to
1110 each town which ranks from four to eight, inclusive, in population
1111 pursuant to said subdivision and (2) one hundred eighty thousand
1112 dollars to each of the towns described in subdivisions (2) and (3) of
1113 said subsection (a), except that the towns described in subdivision (1)
1114 of said subsection (a) shall not receive any additional allocation
1115 pursuant to subdivision (2) of this subsection if they are also described
1116 in subdivision (2) or (3) of said subsection (a).

1117 [(d)] (c) In addition to the amounts allocated pursuant to
1118 subsections (a) and [(c)] (b) of this section, the State Board of Education
1119 shall allocate a share, in the same proportion as the total amount
1120 allocated pursuant to said subsections, of two million five hundred
1121 thousand dollars for the fiscal year ending June 30, 1998, and three
1122 million dollars for the fiscal year ending June 30, 1999, and each fiscal
1123 year thereafter, to each of the towns receiving a grant pursuant to this
1124 section.

1125 Sec. 19. (NEW) (*Effective July 1, 2002*) A school district that received
1126 priority school district phase-out grants pursuant to the provisions of
1127 section 10-276a of the general statutes, revision of 1958, revised to 2001,
1128 as amended, shall receive such a grant in accordance with the
1129 provisions of said section 10-276a for the fiscal year ending June 30,
1130 2002.

1131 Sec. 20. Subdivision (20) of section 4-230 of the general statutes is
1132 repealed and the following is substituted in lieu thereof (*Effective July*
1133 *1, 2002*):

1134 (20) "Exempt program" means any of the following programs:
1135 Education cost sharing, pursuant to sections 10-262f to 10-262j,
1136 inclusive, as amended; public and nonpublic school pupil
1137 transportation, pursuant to sections 10-54, 10-97, 10-266m, 10-273a, 10-
1138 277 and 10-281; special education, excess costs equity and excess costs
1139 student-based, pursuant to subsection (e) of section 10-76d, as
1140 amended, subsections (a) [, (b) and (c)] and (b) of section 10-76g, as
1141 amended by this act, and section 10-253; school building grants-
1142 principal and interest subsidy, pursuant to chapter 173 and section 10-
1143 264h; and school construction grants pursuant to public act 97-265 and
1144 public act 97-11 of the June 18 Special Session*.

1145 Sec. 21. (*Effective from passage*) The Department of Education, in
1146 consultation with the Office of Policy and Management, shall study
1147 state subsidies for all interdistrict magnet schools. The department
1148 shall develop a funding formula that provides for a determination of

1149 an equitable distribution of costs among all involved parties, including
1150 school districts, regional educational service centers and the state. The
1151 report shall include a five-year projection for all interdistrict magnet
1152 schools that includes enrollments and costs per school. The
1153 department shall report its findings and recommendations to the
1154 Office of Policy and Management by September 1, 2002.

1155 Sec. 22. Section 10-239a of the general statutes is repealed and the
1156 following is substituted in lieu thereof (*Effective July 1, 2002*):

1157 Sections 10-239a to 10-239h, inclusive, shall be known and may be
1158 cited as the Demonstration Scholarship Program Authorization Act of
1159 1972. It is the intent of the legislature to enable [up to six] local or
1160 regional boards of education that have schools which fail to improve
1161 for two consecutive years as set forth in the federal No Child Shall Be
1162 Left Behind Act, to participate in a demonstration program designed to
1163 develop and test the use of education scholarships for school children.
1164 The purpose of this demonstration scholarship program is to develop
1165 and test education scholarships as a way to improve the quality of
1166 education by making schools, both public and private, more
1167 responsive to the needs of children and parents, to provide greater
1168 parental choice, and to determine the extent to which the quality and
1169 delivery of educational services are affected by economic incentives.
1170 The demonstration scholarship program authorized by sections 10-
1171 239a to 10-239h, inclusive, shall aid students and shall not be used to
1172 support or to benefit any particular schools.

1173 Sec. 23. Section 10-223b of the general statutes, as amended by
1174 section 36 of public act 01-1 of the June special session, is amended by
1175 adding subsections (e) and (f) as follows (*Effective July 1, 2002*):

1176 (NEW) (e) Not later than January 1, 2003, the Department of
1177 Education shall develop a procedure for receiving, analyzing and
1178 reporting on schools that fail to make adequate progress towards the
1179 state's academic goals based on the results of the annual report cards
1180 required by the federal No Child Left Behind Act of 2001 and shall

1181 make recommendations to the Governor and the General Assembly on
1182 which schools do not reach acceptable academic standards.

1183 (NEW) (f) If a school district has a school on the list pursuant to this
1184 section that fails to make adequate progress for two consecutive years,
1185 based on the annual report cards, parents shall have the option to take
1186 half of the Education Cost Sharing grant that the school district
1187 receives for their child in such school on the list and allow the parent
1188 to use these funds for demonstration scholarships. A municipality may
1189 provide additional funds to supplement the amount of the Education
1190 Cost Sharing grant required under this subsection.

1191 Sec. 24. (*Effective July 1, 2002*) Sections 10-16u, 10-262l, 10-263c, as
1192 amended, 10-263d and 10-276a of the general statutes, as amended, are
1193 repealed.

This act shall take effect as follows:	
Section 1	<i>July 1, 2002</i>
Sec. 2	<i>July 1, 2002</i>
Sec. 3	<i>July 1, 2002</i>
Sec. 4	<i>July 1, 2002</i>
Sec. 5	<i>July 1, 2002</i>
Sec. 6	<i>July 1, 2002</i>
Sec. 7	<i>July 1, 2002</i>
Sec. 8	<i>July 1, 2002</i>
Sec. 9	<i>July 1, 2002</i>
Sec. 10	<i>July 1, 2002</i>
Sec. 11	<i>July 1, 2002</i>
Sec. 12	<i>July 1, 2002</i>
Sec. 13	<i>July 1, 2002</i>
Sec. 14	<i>July 1, 2002</i>
Sec. 15	<i>July 1, 2002</i>
Sec. 16	<i>July 1, 2002</i>
Sec. 17	<i>July 1, 2002</i>
Sec. 18	<i>July 1, 2002</i>
Sec. 19	<i>July 1, 2002</i>
Sec. 20	<i>July 1, 2002</i>

Sec. 21	<i>from passage</i>
Sec. 22	<i>July 1, 2002</i>
Sec. 23	<i>July 1, 2002</i>
Sec. 24	<i>July 1, 2002</i>

Statement of Purpose:

To implement the Governor's budget recommendations.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]